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中國秦發集團有限公司
CHINA QINFA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00866)

POSITIVE PROFIT ALERT

This announcement is made by China Qinfa Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**” or the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest available unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Group is expected to record a profit after taxation of not more than RMB3.2 billion during the year ended 31 December 2021 as compared with a loss after taxation of RMB3.44 billion for the year ended 31 December 2020.

The expected turnaround in the Group’s financial performance for the year is mainly attributable to:

- (i) the Group had benefited from external economic factors that the market price for coal experienced significant increase during the year which led to a substantial increase in the operating profit;
- (ii) the Group had reached loan restructuring arrangements with certain creditors of the Group, pursuant to which a non-operating profit resulting from the gain on debt restructuring is expected to be recorded; and
- (iii) reversal of impairment losses on property, plant and equipment and coal mining rights due to significant increase in coal price.

The Group's annual results for the year ended 31 December 2021 have yet to be finalised. Hence, the information contained in this announcement is only a preliminary assessment performed by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2021, which is expected to be published by 31 March 2022 in accordance with requirements under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Qinfra Group Limited
XU Da
Chairman

Guangzhou, 29 March 2022

As at the date of this announcement, the Board comprises Mr. XU Da, Mr. BAI Tao and Mr. TAN Yingzhong as the executive Directors and Mr. LAU Sik Yuen, Prof. SHA Zhenquan and Mr. JING Dacheng as the independent non-executive Directors.